



BOARD OF SUPERVISORS AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Submitted on:
(COB Stamp)

Department Name: County Executive Office /
County Health Department
Department No.: 012 / 041
Agenda Date: May 6, 2025
Placement: Administrative Agenda
Estimated Time: N/A
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Directors: Mona Miyasato, County Executive Officer
Mouhanad Hammami, County Health Department
Contact Info: Tanja Heitman, Assistant CEO
Lindsay Walter, Deputy Director for Clinical Services
SUBJECT: Serrano Advisors LLC Agreement for CalAIM Justice-Involved Consulting Services
for FY 2024-26

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Mouhanad Hammami
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Signed by:
Mouhanad Hammami
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County Counsel Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Recommended Actions:

That the Board of Supervisors:

- a) Approve, ratify, and authorize the Chair to execute an Agreement for Services of Independent Contractor with Serrano Advisors, LLC for California Advancing and Innovating Medi-Cal Justice-Involved Initiative consulting services, for a period of performance from July 1, 2024 through June 30, 2026. This Agreement converts a Purchase Order to a Board Contract and increases funding by \$353,000, for a revised total maximum contract amount not to exceed \$552,000 (\$282,000 for FY 2024-25 and \$270,000 for FY 2025-26), inclusive of \$199,000 under Purchase Order CN8777 but which otherwise cancels, nullifies, and supersedes Purchase Order CN8777; and
- b) Determine that the above-recommended actions are not a project that is subject to environmental review under the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines section 15378(b)(4), finding that the actions are governmental funding mechanisms and/or fiscal activities that will not result in direct or indirect physical changes in the environment.

Summary Text:

The above-referenced item is on the agenda for the Board of Supervisors to approve, ratify, and authorize the Chair to execute the Agreement for Services of Independent Contractor with Serrano Advisors LLC (Serrano) for the period July 1, 2024 to June 30, 2026, for a contract maximum of \$552,000. This agreement provides consultative services and support for implementation of the California Advancing and Innovating Medi-Cal (CalAIM) Justice-Involved Initiative (JI) across County departments and is funded by State grants intended for this effort. Oversight of the CalAIM implementation was recently assigned to the County Health Department (CHD) but is still in transition; the County Executive Office will oversee this contract in the interim.

Serrano is supporting the Sheriff's Office and Probation in their development of required elements of pre-release and re-entry supports to individuals eligible for CalAIM services. The Agreement with Serrano was initially under a purchase order but now exceeds the purchase order contract threshold and requires a Board contract. These efforts are to ensure timely and appropriate implementation of CalAIM in our correctional facilities no later than October 2026.

Background:

The California Department of Health Care Services (DHCS) has developed a framework that encompasses broad-based delivery system, program, and payment reform across the Medi-Cal program, called CalAIM. CalAIM leverages Medicaid as a tool to help address many of the complex challenges facing our most vulnerable residents, such as homelessness, behavioral health care access, children with complex medical conditions, the growing number of justice-involved populations who have significant clinical needs, and the growing aging population.

CalAIM is designed to implement broad delivery system and payment reform across Medi-Cal and addresses the social determinants of health and health care inequities through Medi-Cal. On January 26, 2023, California became the first state in the nation approved to offer a targeted set of Medicaid services to youth and eligible adults in state prisons, county jails, and youth correctional facilities for up to 90 days prior to release. The JI allows eligible Californians who are incarcerated to enroll in Medi-Cal and receive a targeted set of services in the 90 days before their release and warm handoffs to Enhanced Care Management providers, including CHD, and Behavioral Linkages with Behavioral Wellness (BWell), when going back into the community. This initiative aims to ensure continuity of health care coverage and services between the time they are incarcerated and when they are released. It also provides people who are reentering the community with the prescribed medications and durable medical equipment they need, as well as access to programs and services to support this important transition.

Discussion:

Under the CalAIM JI, correctional facilities and community-based providers will be able to bill Medi-Cal under Fee-for-Service (FFS) for the delivery of a limited set of services while individuals are incarcerated. This will create revenue for the jails and the Juvenile Justice Center. When an individual transitions to the community, Managed Care and Specialty Mental Health billing is initiated upon release in coordination with CenCal Health and BWell. DHCS will pay for all pre-release services under Medi-Cal FFS directly to the Sheriff's Office and Probation. Claims will be submitted through normal processes for medical services including care management, clinical consultations, laboratory, and radiology; and Medi-Cal Rx for pharmacy services.

The County must implement CalAIM in its correctional facilities by October 2026. The Sheriff's Office and Probation along with BWell, CHD, Social Services, CEO's Office, and Information Technology, have established a working group to create a roadmap for implementation. CHD updated your Board on February 25, 2025, to act in the lead role in implementation, oversight, and reporting for CalAIM II and it is anticipated the Sheriff's Office and Probation will return to the Board with the staffing and budget revision request needed for this new operational structure. The implementation costs, including this proposed Serrano Agreement, are funded with State PATH 3 grant funds awarded by DHCS to the Sheriff's Office and Probation.

Serrano is providing consultation services to the Sheriff's Office and Probation, in partnership with CHD and the CEO's Office. The focus areas include PATH 3 Planning and Implementation Readiness Plan and submission to DHCS, input and selection of Medi-Cal billing and electronic health record solutions, and data sharing with agreements with the Managed Care Plan (CenCal Health) and County partners. Currently, Serrano is constructing a fiscal pro-forma to estimate revenues and expenditures associated with this program.

Performance Outcomes:

Contractor will remain compliant with all goals and objectives of the prior Purchase Order.

Fiscal and Facilities Impacts:

Budgeted: Yes

Fiscal Analysis:

Funding Source	FY 2024-2025	FY 2025-2026	Total
General Fund			
State: PATH 3 Grant	\$261,000	\$255,000	\$516,000
State: DSH Grant	\$21,000	\$15,000	\$36,000
Federal			
Fees			
Total	\$282,000	\$270,000	\$552,000

This contract is funded primarily with State PATH 3 Grant funding, which was awarded to the Sheriff's Office and Probation, for all activities related to CalAIM implementation. Additionally, a small portion of the contract relating to jail population management activities (e.g. diversion strategies planning) is funded with the County's allocation of the annual Department of State Hospitals (DSH) Community Collaborative Planning Grant revenues. The breakdown of amounts allocated to each funding source (above) is estimated based on forecasted hours required to support the different activity types. The funding sources were included in the FY 2024-25 Adopted Budget and will be included in future recommended budgets submitted to the Board of Supervisors for approval.

The CEO's Office has administered the original Purchase Order CN8777, and while CHD will ultimately transition into the lead role for CalAIM, the department has not yet designated staffing for this purpose as the Sheriff's Office and Probation work to develop the CalAIM funding plan. Therefore, the CEO's Office will continue to provide oversight of the Serrano contract in the interim.

Special Instructions:

Clerk of the Board, please email a complete, executed copy of the above contract and a copy of the Minute Order to Nicole Parmelee (nparmelee@countyofsb.org).

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Attachments:

Attachment A – Serrano Advisors FY 2024-26 Board Contract

Attachment B – Serrano Advisors FY 2024-25 CN8777

Authored by:

Lindsay Walter, Deputy Director for Clinical Services, CHD

Nicole Parmelee, Principal Analyst, CEO